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# STATE OF INDIANA

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DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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**To:** County Assessors, Auditors, Treasurers  
**From:** State Board of Tax Commissioners  
**Re:** Mobile Home Deduction Applications / 2001 Legislation

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As you are aware, P.L. 291-2001 [HEA 1001] amended the following deductions and credits to make them available, for the first time, to taxpayers who own annually assessed mobile or manufactured homes (those that are not assessed as real property):

- ▶ Mortgage (IC 6-1.1-12-1)
- ▶ Over 65 (IC 6-1.1-12-9)
- ▶ Blind/disabled (IC 6-1.1-12-11)
- ▶ Veterans (IC 6-1.1-12-13 through 16)
- ▶ Standard (IC 6-1.1-12-37)
- ▶ Homestead (IC 6-1.1-20.9)

But, **PLEASE NOTE**: The total deduction a mobile home or manufactured home<sup>1</sup> may receive under Chapter 12 (all of the above combined) may not exceed ½ of the AV of the mobile home. See IC 6-1.1-12-40.5.

It is the understanding of the Department of Local Government Finance that these new provisions were intended to make the deductions available for the pay 2002 property taxes. Given the statutory deadlines, however, taxpayers would only have had a few days after the Act became law to make application. After consultation with participants in the legislative process, we believe it desirable that special accommodations be made, and procedures developed, to allow taxpayers to take advantage of these deductions as was apparently contemplated. Consequently, we suggest the following:

- Deductions for mobile homes or manufactured homes, as approved by HEA 1001-2001, should be applied against mobile home assessments as of January 15, 2002.
- County officials should send a mailing or notice of some kind to mobile home owners to inform them that they may for the first time be eligible for the various deductions. This notice should include a statement about the limitation that total deductions may not exceed one-half the mobile home AV (See IC 6-1.1-12-40.5). It has been suggested that posting a notice at the mobile home complex office would provide an efficient and effective means for communicating with the potentially benefited taxpayers. [A sample notice is enclosed.]

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<sup>1</sup> The term "mobile home" shall hereinafter include manufactured home for purposes of this memorandum.

- March 31, 2002 should be the final date a deduction application for a mobile home assessed as of January 15, 2002 could be filed by the owner. This date is being recommended on the basis that a previously approved deduction, age 65 IC 6-1.1-12-10.1, provided that age 65 deductions statements must be filed between January 15 and March 31.)

Also, HEA 1001 makes mobile homes eligible to receive the mortgage deduction (IC 6-1.1-12-1) even though they are not usually regarded as part of the real property and are not “mortgaged.” However, the mobile home does typically serve as the security for the purchase installment loan. This circumstance presents some new administrative complications. The Department of Local Government Finance suggests you require the mobile home applicant to either provide you a copy of the installment loan or otherwise document the amount and term of the debt on the mobile home, at the time the taxpayer applies for the “mortgage” deduction on a mobile home.

*Please do not hesitate to contact Melissa Henson, Budget Division, at (317) 232-3773, with any questions. Thank you.*

# [SAMPLE NOTICE]

## Notice to Owners of Mobile and Manufactured Homes

Recent changes in the law may entitle you to property tax deductions and credits on your mobile or manufactured home. **You must apply for these deductions and credits – you do not get them automatically.** The following list of deductions and credits may apply to you.

- You may be eligible for a **mortgage deduction** if you are purchasing your mobile or manufactured home by installment loan. To be eligible, you must apply at the county auditor's office by March 31, 2002 and provide documentation of the amount of the loan.
- You may be eligible for an **over-age-65** deduction. To be eligible, you must apply at the county auditor's office by March 31, 2002.
- You may be eligible for a deduction if you are **blind or disabled**. To be eligible, you must apply at the county auditor's office by March 31, 2002.
- You may be eligible for a **veteran's deduction** if you can document a service-connected disability. To be eligible, you must apply at the county auditor's office by March 31, 2002.
- You may be eligible for the **standard deduction for the homestead credit**. To be eligible, you must apply at the county auditor's office by March 31, 2002.
- You may be eligible for a **homestead credit** of up to 10% of the value of your home if it is owner-occupied. To be eligible, you must apply at the county auditor's office by March 31, 2002.

The total deduction and credit that may be applied cannot exceed 50% of the value of your mobile or manufactured home. If you have questions about any of these deductions or credits, please call the \_\_\_ county auditor at \_\_\_\_.